

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 539
Ways and Means

(Garrett County Delegation)

Budget and Taxation

Garrett County - Unpaid Hotel Rental Tax - Liens

This bill provides that unpaid hotel rental taxes in Garrett County are a lien on the real and personal property of the person owing the tax and collectibles in the same manner as unpaid property taxes, *i.e.*, by selling at tax sale the real and personal property of the person owing the tax.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County expenditures would decrease by \$1,040 for each circumstance involving unpaid hotel rental taxes due to avoided attorneys' fees and court costs. Revenues would not be affected.

Small Business Effect: Minimal overall. Owners of small businesses that operate hotels in Garrett County, but that do not remit hotel rental taxes, would be affected.

Analysis

Current Law: In Allegany, Caroline, Cecil, Charles, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Washington, Wicomico, and Worcester counties, unpaid hotel rental taxes are a lien on the real and personal property of the person owing the unpaid hotel rental taxes. These counties are authorized to collect unpaid hotel rental taxes by selling at tax sale the real and personal property of the person owing the tax.

Currently, Garrett County must take court action against a person owing hotel rental taxes to ensure that an unpaid hotel rental tax obligation is paid.

Local Expenditures: Garrett County advises that less than 20 instances of unpaid hotel rental taxes occur each year, and that expenditures would decrease by \$1,040 for each circumstance involving unpaid hotel rental tax due to avoided attorneys' fees (\$1,000) and court costs (\$40).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Garrett County, Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2004
ncs/mdr

Analysis by: Christopher J. Kelter

Direct Inquiries to:
(410) 946-5510
(301) 970-5510